

Article 4: City Employees' Retirement System

Division 13: Purchase of Service Credit

(*"Purchase of Service Credit"*
added 7-12-1993 by O-17938 N.S.)

§24.1301 Purpose and Intent

For purposes of purchasing service credit available under the Retirement System, a Member who participates in a Long Term Disability program sponsored by the City or a contracting agency shall be eligible to purchase any available service credit to which the Member would otherwise be entitled to purchase, so long as the Member's contributions remain on deposit with the Retirement System during the Member's participation in the City's or contracting agency's Long Term Disability program.

Deferred Members who have left their contributions on deposit with the Retirement System are not eligible to make purchases of service credit in the Retirement System while on a deferred status.

Subject to procedures established by the Board, a Member of the Retirement System may purchase service credit in the Retirement System for a variety of periods of City and non City service. A Member shall establish minimum age and service requirements through current creditable service, service credit purchased pursuant to this Division under procedures established by the Board, or a combination of the foregoing before the Member is eligible to receive retirement benefits.

Except as required by Federal law, purchase of service credit for Retirement System purposes establishes eligibility for service based retirement benefits only.
(*Amended 6-19-2000 by O-18815 N.S.*)

§24.1302 Purchase of Probationary Period

Any Member who does not have service credit for any period of eligible City service during his or her probationary period of employment with the City shall have the right to elect to receive credit for such service providing that, prior to retirement, the Member pays a lump sum into the Retirement System in an amount calculated by multiplying the average rate of contribution of General or Safety Members as determined by the Board times the Base Compensation received by the employee during that portion of the probationary period concerned, rounding the monthly salary off to the nearest \$100, plus an average interest of four and one-half percent (4-1/2%) per year from the date of entrances into the Retirement System until the date of

purchase.
(Amended 8-7-2000 by O-18835 N.S.)

§24.1303 Purchase of Service Credit for Previous City Service

A Member who contributes at the current rate, and who prior to entrance in the Retirement System held a position in the City service eligible for membership, and at that time during that tenure was not a member of any retirement system, shall have the right to purchase service credit in the Retirement System for all or any part of the City service rendered, whether interrupted or not during the time of such City service before becoming a member. Any Member who was previously a Member of the 1981 Pension Plan shall be eligible to purchase service credit for the mandatory one year waiting period required by that plan.
(“Purchase of Service Credit for Previous City Service” added 7-12-1993 by O-17938 N.S.)

§24.1304 Purchase of Service Credit for Part-Time or Hourly Service in Positions not Eligible Membership

Upon vesting, any vested Member who, was employed by the City in a position that was less than full-time or was otherwise not eligible for membership, may purchase full-time service credit for the period of time he or she rendered part-time or hourly service prior to membership.

No employee shall be eligible to purchase service credit under this Section for periods of employment after January 1, 1997.
(Amended 3-31-1997 by O-18392 N.S.)

§24.1305 Purchase of Service Credit Upon Reinstatement

If any Member has terminated City service without fault, or because of reasons beyond his or her control, the Member shall have the right at any time, if re-employed by the City, to be reinstated in the Retirement System upon such terms and conditions as shall be prescribed by the Board. Such Member shall be eligible to purchase service credit for the period between the date of termination and the date of reinstatement. If, however, such Member upon re-employment does not elect to purchase service credit as authorized by this section, the Member’s rate of contribution following his or her reinstatement shall be based upon the Member’s age at reinstatement. Credit for service under this section shall be granted only for the period during which contributions have been made.

No employee hired or re-instated after January 1, 1997, shall be eligible to purchase

service credit under this section.
(Amended 2-25-1997 by O-18383 N.S.)

§24.1306 Repayment of Previously Refunded Member Contributions

Upon reemployment with the City, a Member may repay the amount previously refunded plus interest at the actuarial interest rate under terms and conditions prescribed by the Board.
(“Repayment of Previously Refunded Member Contributions” added 7-12-1993 by O-17938 N.S.)

§24.1307 Purchase of Approved Leaves of Absence

- (a) Notwithstanding the definition of Creditable Service in Section 24.0103, any Member granted an approved leave of absence shall have the right, upon his or her return to City service, and upon request by the Member, to obtain service credit for a period of up to one year of such absence by paying into the Retirement System an amount determined by the Board to be the equivalent of the employee cost of that service.
- (b) Notwithstanding the definition of Creditable Service in Section 24.0103, any Member granted an approved leave of absence for periods of time in excess of one year shall have the right, upon return to City service, and upon request by the Member, to obtain service credit for such excess leave of absence by paying into the Retirement System an amount determined by the Board to be the equivalent of the employee and employer cost of that service.
- (c) A member is not eligible to purchase service credit under Section 24.1307(a) or (b) for periods of leave of absence that begin after January 1, 1997, except for leaves of absence granted by the City for long term disability benefits, Family Medical Leave Act periods approved by the City, leaves of absence without pay approved by the Civil Service Commission with job to be saved, including any period preceding reinstatement by the Civil Service Commission following a termination appeal.

(Amended 3-31-1997 by O-18392 N.S.)

§24.1308 Purchase of Service Credit for Officer or Employee not Previously Included within Field of Membership

If any officer or employee in a position not previously included within the field of membership of the Retirement System is brought within the field of membership, or if any officer or employee chooses to come within the field of membership, such officer

or employee shall have the right to purchase service credit for that period of service not previously included within the field of membership of the Retirement System as provided in this Division.

(“Purchase of Service Credit for Officer or Employee not Previously Included within Field of Membership” added and amended 7-12-1993 by O-17938 N.S.)

§24.1309 Purchase of Military Service for Service Credit

The Board is hereby authorized and vested with power to enact rules and regulations which shall govern the status of Members of the Retirement System who either voluntarily or involuntarily enter into the service of the United States Military forces, which rules and regulations shall safeguard the interest of such Members to the extent that they shall not be deprived in any way of any benefit secured by General law of the State because of such absence. These rules and regulations shall provide that the member shall be eligible to purchase service credit for such absence on Military service.

(“Purchase of Military Service for Service Credit” added 7-12-1993 by O-17938 N.S.)

§24.1310 Purchase of Service Credit Payment Options

To purchase Service credit, a Member must elect to pay and thereafter pay, in accordance with such election and prior to retirement, into the retirement fund an amount, including interest, determined by the Board. No Member shall receive service credit under this Division for any service for which payment has not been completed pursuant to this Division before the effective date of the Member’s retirement.

Subject to any limitations imposed by the Internal Revenue Code, such payment may be made by a lump sum, installment payments, a direct transfer to the Retirement System from any defined contribution plan maintained by The City of San Diego or in such manner and at such time as the Board may by rule prescribe. Any sums paid by a Member pursuant to this section shall be considered to be and administered as Member contributions.

(“Purchase of Service Credit Payment Options” added 7-12-1993 by O-17938 N.S.)

§24.1312 General Provision for Five Year Purchase of Creditable Service

Any Member employed by the City of San Diego on the date of December 31, 1996, may purchase up to a maximum of five (5) years of service credit in addition to any other purchase of service credit benefit for which that Member was eligible as of December 31, 1996. However, in no event shall the years purchased pursuant to this provision qualify to satisfy the ten year vesting requirements set forth in Section 141

of the San Diego City Charter.

Any Member hired by The City of San Diego on or after January 1, 1997, may purchase up to a maximum of five (5) years of service credit in addition to any other purchase of service credit benefit set forth in Chapter II, Article 4, Division 13, for which that Member was eligible on January 1, 1997.

The cost of service credit purchased pursuant to this section shall be the amount determined by the Board to be the equivalent of the employee and employer cost of that service credit.

(“General Provision for Five Year Purchase of Creditable Service” amended 11-10-1998 by O-18600 N.S.)

